

Dr Martin Schuurmans – Chairman of the EIT Governing Board

China – Central and Eastern European Countries Economic and Trade Forum

Budapest - 25 June 2011

Your Excellency Viktor Orban - Prime Minister of Hungary

Your Excellency Wen Jiabao - Prime Minister of the People's Republic of China

Dear Ministers, distinguished guests,

As chairman of the European Institute of Innovation and Technology based in Budapest, I am delighted and honoured to have been invited to join you here at the Hungarian Academy of Science today. Particularly so, because economic growth driven by innovation is a topic close to my heart and one which is of particular importance for the future of both your great nation the People's Republic of China, and Central and Eastern European countries part of the European Union, currently under the Hungarian presidency of the Council.

It is no secret that the European Union and its economy are currently still recovering from the 2008 crisis. But, rather than being overly cautious and risk-averse as a result, it is important – now more than ever – to ensure that we have strong initiatives in place that will lift us out of these challenging times. Challenging indeed as Europe is for example very good in science but in recent years, few of the great ideas have been brought to the market.

And this, ladies and gentlemen, is what the European Institute of Innovation and Technology, the EIT, has been set up to do upon the initiative of the European Commission President Mr. Barroso. Our overall goal is to create a new European way of delivering essential economic growth and societal benefits through innovation. Indeed, the EIT was set up with a clear business perspective and the institute will help transform innovative ideas into products and services that create sustainable growth and jobs.

Who are we? We are a European Union institute that encourages, seeds and enables existing top-class European education, research and business hotspots to form entrepreneurial and excellence driven innovation clusters – our Knowledge and Innovation Communities, the so-called KICs.

What does this mean and what is new about this? The EIT is not a subsidy giver. Rather the EIT is a catalyst and an impact investor in KICs providing the KICs with only 25% of their capital. We leave significant investment, responsibility and commitment to the innovation communities themselves.

We are also the first EU initiative that brings together the three sides of the knowledge triangle, consisting of higher education, research and business including SMEs from the EU and **beyond**. Why? Because innovation today can start at any point in the triangle and is usually a highly non-linear process in which all sides of the knowledge triangle have to work closely together for innovation success.

What is also new is that our KICs are organised around so-called co-location centres and under the single headed leadership of a Chief Executive Officer. The co-location centres are geographical locations consisting of excellent universities, businesses and research institutes where students, researchers and business people, are co-located so that they can work together face-to-face in highly integrated teams for best innovation results. We have 16 centres in the EU each with a potential to grow to a "Stanford" of Europe.

What drives innovation in the innovation communities? Clearly it cannot be, as in the past, only science. Today, we believe that entrepreneurship is the driver that will successfully connect the three sides of the knowledge triangle. EIT education programmes will therefore be a focus and will combine entrepreneurship education with for example science and engineering education.

The first three Knowledge Innovation Communities were designated in 2009 and address climate change, the future of Information and Communication Technology, and sustainable energy. We do realize at the EIT that participation of excellent institutions and innovative companies from countries outside the EU in innovation communities is a must for the advancement of EIT to world-class innovation.

To begin exploring such international collaborations we have presented the EIT at the Shanghai World Expo and visited Shanghai Jiaotong University, Beijing Tsinghua University and the Chinese Academy of Science. We were very much impressed by what we saw in terms of Chinese best innovation practices. No doubt our KICs will over time develop important ties with leading institutes in China.

This brings me also to the close relation we have established with Hungary, and in particular Budapest as the "home" of the EIT. The EIT's links to Hungary do not, however, end with the EIT Headquarters in Budapest. Two of our KICs have local and regional partners located here led on the one hand by ELTE University and on the other by the Ministry of National Development.

I speak on behalf of the EIT when I express our great appreciation for the enthusiasm with which the EIT ideas are accepted and promoted in Hungary and I thank Prime Minister Viktor Orbán and his government for their continued support and good collaboration.

And finally Your Excellencies, ladies and gentlemen, as we are convinced that the EIT can bring a real shift in mentality and approach to innovation in Europe, we look forward to prosperous collaborations inside and outside Europe and in particular with China.

I thank you for your attention.